Federal Communications Commission 445 12th St., S.W. Washington, D.C. 20554

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DA 13-1639

Released: July 25, 2013

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF THE LIVINGSTON TELEPHONE COMPANY TO USCONNECT HOLDINGS, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 13-186

Comments Due: August 8, 2013

Reply Comments Due: August 15, 2013

On July 22, 2013, The Livingston Telephone Company (LTC) and its subsidiary, Telcom Supply, Inc. (TSI), and USConnect Holdings, Inc. (USConnect) and its subsidiary, USConnect Acquisitions I, Inc. (USConnect Acquisitions) (collectively, Applicants), filed an application pursuant to section 63.03 of the Commission's rules¹ to transfer control of LTC and TSI to USConnect and USConnect Acquisitions.

LTC, a Texas corporation, provides incumbent local exchange carrier (LEC) service in several exchanges in Polk County, Texas. TSI, a Texas corporation and wholly-owned subsidiary of LTC, provides interstate telecommunications services within the service areas of LTC. ²

USConnect, a Delaware corporation, was created to purchase and operate rural LECs. USConnect owns 100 percent of USConnect Acquisitions, a Delaware corporation, formed for the purpose of acquiring the shares of LTC. The following U.S.-based LECs will hold a ten percent or greater attributable interest in USConnect when the proposed transaction closes: Brazoria Telephone Company (serving Brazoria County, Texas), Dickey Rural Telephone Cooperative, Inc. (serving counties in North Dakota and South Dakota), FTC Management Group, Inc. (parent company of Farmers Telephone Cooperative, Inc. that serves counties in South Carolina), Golden West Telecommunications Cooperative, Inc. (serving counties in Nebraska, South Dakota, Wyoming), Horry Telephone Cooperative, Inc. (serving counties in South Carolina). Applicants state that each LEC will own 19.2857 percent of the preferred stock of US Connect and have a 17.357 percent voting interest in US Connect.

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing applications for transfer of control associated with authorization for international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their domestic section 214 application on July 24, 2013.

² Applicants state that TSI also holds Commission authority for the following: WQMC622 (3650-3700 band operations); broadcast licenses for KETX-LP, KETX, and KETX-FM; and broadcast auxiliary licenses KEH293 and KK2706.

They further state that the LECs are all organized as cooperatives in which no stockholder owns or votes as much as a one percent interest and that none of the service territories of the LECs adjoins or overlaps the service territory of LTC. Applicants state that, in addition to the preferred stock issued by US Connect, Leo Staurulakis and Manny Staurulakis, both U.S citizens, each own one-third of the common stock of US Connect and jointly own MLStar, LLC, a Virginia limited liability company that will own 3.6 percent of the preferred stock of USConnect. Neither individual owns any other telecommunications entities.

Pursuant to the terms of the proposed transaction, LTC, USConnect, and USConnect Acquisitions have entered into an Agreement and Plan of Merger whereby USConnect Acquisitions will be merged with and into LTC, and LTC will be the surviving corporation. Applicants state that, following the consummation of the proposed transaction, LTC will continue to operate as an incumbent LEC serving the same exchanges, and TSI will continue to provide interstate service to the customers of LTC. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(iii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.³

Domestic Section 214 Application Filed for the Transfer of Control of The Livingston Telephone Company to USConnect Holdings, Inc., WC Docket No. 13-186 (filed July 22, 2013).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before August 8, 2013,** and reply comments **on or before August 15, 2013.** Pursuant to section 63.52 of the Commission's rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.⁴

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): http://fjallfoss.fcc.gov/ecfs2/.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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³ 47 C.F.R. §63.03(b)(2)(iii).

⁴ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

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The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.⁵ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information, please contact Tracey Wilson at (202) 418-1394 or Jodie May at (202) 418-0913.

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⁵ 47 C.F.R. §§ 1.1200 et seq.